



CRIME VICTIMS COMPENSATION PROGRAM

TWO YEARS ENDED JUNE 30, 2000

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2001-28
March 29, 2001
www.auditor.state.mo.us

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

March 2001

www.auditor.state.mo.us

The following concerns were discovered as a result of a review conducted by our office of the Crime Victims Compensation Program.

Missouri state law requires a crime victims compensation fee to be assessed on each criminal conviction in each court in the state. State law also requires the court clerks to distribute ninety-five percent of the fees collected to the state Department of Revenue at least monthly. The Department of Revenue deposits these fees into the Crime Victims Compensation Fund, the Services to Victims Fund and the State Forensic Laboratory Fund in accordance with state law.

As noted in our prior audit, the Department of Labor and Industrial Relations has not established procedures to ensure that the Crime Victims Compensation Program receives all crime victim fees assessed and collected by the courts. From October to December 1999, the labor department followed-up on recommendations, concerning Crime Victims Compensation fee collections and distributions, issued in State Auditor's Office reports on various state courts. As a part of this follow-up, the Crime Victims Compensation Program sent letters to seven state courts; however, no follow-up letters have been issued since December 1999. In addition, no other procedures exist to identify courts not properly remitting Crime Victims Compensation fees to the Department of Revenue.

During our review of payments made to the state, we noted that the City of Joplin did not remit Crime Victims Compensation fees from January to October 1999 and from December 1999 to May 2000.

We also noted inconsistent and untimely payments from the City of St. Louis during the two years ended June 30, 2000. For example, several months were noted where payments were not made appropriately and in May 2000, \$208,600 was remitted to the Department of Revenue (municipal payments averaged approximately \$35,000 per month for this time period). In addition, all payments for the City of St. Louis were generally made at least two months late. The Crime Victims Compensation Program did not identify this situation and therefore was not able to ensure that Crime Victims Compensation fees were properly assessed and collected by the City of St. Louis and that the fees were remitted to the Department of Revenue in a timely manner.

The Department of Labor and Industrial Relations needs to establish procedures to recognize situations such as the City of Joplin and the City of St. Louis, where Crime Victims Compensation fees are not being remitted to the state as required by state law.

(over)

YELLOW SHEET

The Services to Victims Fund was established by state law, allowing the Department of Public Safety to contract with public or private agencies to provide assistance to crime victims through direct services, emergency services, crisis intervention counseling and victim advocacy. To obtain funding from the Services to Victims Fund, these agencies/shelters must submit an annual application to the Department of Public Safety. The Department of Public Safety reviews each applicant for eligibility, programs offered, funding requested, etc. If the application is approved by the Department of Public Safety, a contract is awarded.

The Services to Victims Fund application packet includes financial and administrative guidelines. According to a monitoring provision contained in the financial and administrative guidelines, the Department of Public Safety is required to monitor each contract award at least once for each contract period (12 months) and prepare a report documenting the results of this monitoring.

During our review of 25 Services to Victims Fund contracts, we noted that 16 had not been properly monitored for the applicable contract periods. To ensure the funds are utilized for the intended purpose, to ensure the quality of the program, and to ensure agencies/shelters are in compliance with state and federal guidelines, formal on-site monitoring procedures should be performed on a regular basis and documented.

CRIME VICTIMS COMPENSTATION PROGRAM

TABLE OF CONTENTS

	<u>Page</u>
<hr/> FINANCIAL SECTION <hr/>	
State Auditor's Reports:	2-6
Financial Statements	3-4
Compliance and Internal Control Over Financial Reporting	5-6
Financial Statements:	7-11
<u>Exhibit</u>	<u>Description</u>
A-1	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended June 30, 20008
A-2	Year Ended June 30, 19999
B-1	Statement of Appropriations and Expenditures, Year Ended June 30, 200010
B-2	Year Ended June 30, 199911
Supplementary Data:	12-14
Schedule of Program Payments, Five Years Ended June 30, 2000	13
Notes to the Financial Statements and Supplementary Data	15-19
<hr/> MANAGEMENT ADVISORY REPORT SECTION <hr/>	
Management Advisory Report - State Auditor's Findings	21-27
Summary of Findings.....	22
<u>Number</u>	
1.	Collection of Crime Victims Compensation Fees23
2.	Monitoring of Services to Victims Grants25
Follow-Up on Prior Audit Findings	28-29
<hr/> STATISTICAL SECTION <hr/>	
History, Organization, and Statistical Information	31-32

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Bob Holden, Governor
and
Catherine Leapheart, Director
Department of Labor and Industrial Relations
and
Gary Kempker, Director
Department of Public Safety
Jefferson City, MO 65102

We have audited the accompanying special-purpose financial statements of the various funds of the Crime Victims Compensation Program as of and for the years ended June 30, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the program's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash and investments of the Crime Victims Compensation Fund, the Services to Victims Fund, and the State Forensic Laboratory Fund; and the appropriations and expenditures of the various funds of the Crime Victims Compensation Program and are not intended to be a complete presentation of the financial position and results of operations of the various funds of the program.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash and investments of the Crime Victims Compensation Fund, the Services to Victims Fund, and the State Forensic Laboratory Fund; and the appropriations and expenditures of the various funds of the Crime Victims Compensation Program as of and for the years ended June 30, 2000 and 1999, in conformity with the comprehensive bases of accounting discussed in Note 1, which are bases of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 24, 2000, on our consideration of the program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying Statistical Section is presented for informational purposes. This information was obtained from the program's management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

August 24, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robert L. McArthur II
Audit Staff:	Jerry C. Lamprecht Jr., CPA
	Anissa J. Falconer



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Bob Holden, Governor
and
Catherine Leapheart, Director
Department of Labor and Industrial Relations
and
Gary Kempker, Director
Department of Public Safety
Jefferson City, MO 65102

We have audited the special-purpose financial statements of the Crime Victims Compensation Program as of and for the years ended June 30, 2000 and 1999, and have issued our report thereon dated August 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Crime Victims Compensation Program are free of material misstatement, we performed tests of the program's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Crime Victims Compensation Program, we considered the program's internal control over financial

reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the Crime Victims Compensation Program and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

August 24, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

CRIME VICTIMS COMPENSATION PROGRAM
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS
 YEAR ENDED JUNE 30, 2000

		Crime Victims Compensation Fund	Services to Victims Fund	State Forensic Laboratory Fund	Total (Memorandum Only)
RECEIPTS					
Penalties	\$	4,554,831	3,109,202	250,000	7,914,033
Interest		457,167	0	0	457,167
Other		351,622	0	0	351,622
Total Receipts		5,363,620	3,109,202	250,000	8,722,822
DISBURSEMENTS					
Personal service		308,696	0	0	308,696
Expense and equipment		249,248	0	0	249,248
Employee fringe benefits		84,143	0	0	84,143
Hancock refund		111,792	61,985	6,260	180,037
Program disbursements		4,138,382	2,756,733	229,326	7,124,441
Total Disbursements		4,892,261	2,818,718	235,586	7,946,565
RECEIPTS OVER (UNDER) DISBURSEMENTS		471,359	290,484	14,414	776,257
CASH AND INVESTMENTS, JULY 1		7,991,887	3,412,801	95,610	11,500,298
CASH AND INVESTMENTS, JUNE 30	\$	8,463,246	3,703,285	110,024	12,276,555

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

CRIME VICTIMS COMPENSATION PROGRAM
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS
 YEAR ENDED JUNE 30, 1999

		Crime Victims Compensation Fund	Services to Victims Fund	State Forensic Laboratory Fund	Total (Memorandum Only)
RECEIPTS					
Penalties	\$	4,260,906	3,004,163	250,000	7,515,069
Interest		431,106	0	0	431,106
Other		296,313	0	0	296,313
Total Receipts		4,988,325	3,004,163	250,000	8,242,488
DISBURSEMENTS					
Personal service		183,792	0	0	183,792
Expense and equipment		153,484	0	0	153,484
Employee fringe benefits		51,076	0	0	51,076
Hancock refund		176,504	78,729	11,534	266,767
Program disbursements		4,121,352	2,259,852	305,542	6,686,746
Total Disbursements		4,686,208	2,338,581	317,076	7,341,865
RECEIPTS OVER (UNDER) DISBURSEMENTS		302,117	665,582	(67,076)	900,623
CASH AND INVESTMENTS, JULY 1		7,689,770	2,747,219	162,686	10,599,675
CASH AND INVESTMENTS, JUNE 30	\$	7,991,887	3,412,801	95,610	11,500,298

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-1

CRIME VICTIMS COMPENSATION PROGRAM
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 2000

		Appropriations	Expenditures	Lapsed Balances
CRIME VICTIMS COMPENSATION FUND				
Program disbursements	\$	4,650,000	4,142,266	507,734
Personal service		390,150	311,992	78,158
Expense and equipment		408,508	268,384	140,124
Total Crime Victims Compensation Fund		<u>5,448,658</u>	<u>4,722,642</u>	<u>726,016</u>
SERVICES TO VICTIMS FUND				
Program disbursements		<u>3,150,000</u>	<u>2,776,466</u>	<u>373,534</u>
STATE FORENSIC LABORATORY FUND				
Program disbursements		266,000	196,827	69,173
Expense and equipment		60,000	60,000	0
Total State Forensic Laboratory Fund		<u>326,000</u>	<u>256,827</u>	<u>69,173</u>
Total	\$	<u><u>8,924,658</u></u>	<u><u>7,755,935</u></u>	<u><u>1,168,723</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B-2

CRIME VICTIMS COMPENSATION PROGRAM
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
YEAR ENDED JUNE 30, 1999

		Appropriations	Expenditures	Lapsed Balances
CRIME VICTIMS COMPENSATION FUND				
Program disbursements	\$	4,550,000	4,153,421	396,579
Personal service		332,530	183,849	148,681
Expense and equipment		233,402	142,682	90,720
Total Crime Victims Compensation Fund		<u>5,115,932</u>	<u>4,479,952</u>	<u>635,980</u>
SERVICES TO VICTIMS FUND				
Program disbursements		<u>2,411,000</u>	<u>2,341,548</u>	<u>69,452</u>
STATE FORENSIC LABORATORY FUND				
Program disbursements		250,000	184,962	65,038
Expense and equipment		59,000	59,000	0
Total State Forensic Laboratory Fund		<u>309,000</u>	<u>243,962</u>	<u>65,038</u>
Total	\$	<u><u>7,835,932</u></u>	<u><u>7,065,462</u></u>	<u><u>770,470</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Supplementary Data

Schedule

CRIME VICTIMS COMPENSATION PROGRAM
SCHEDULE OF PROGRAM PAYMENTS

Agency	City	Payment Amount for Year Ended June 30,				
		2000	1999	1998	1997	1996
CRIME VICTIMS COMPENSATION FUND						
Boone County- 13th Circuit Family Court	Columbia	\$ 0	24,157	0	0	0
Comprehensive Human Services, Inc.	Columbia	46,046	0	0	0	0
Avenues	Hannibal	0	0	32,000	0	32,000
Cass County Prosecuting Attorney	Harrisonville	0	0	16,750	0	0
Christian Associates of Table Rock Lake	Kimberling City	0	0	0	0	18,000
CASA, Inc.	Sedalia	0	0	0	19,540	0
Bridgeway Counseling Services, Inc.	St. Charles	0	0	0	30,000	0
Christos House	West Plains	0	18,292	0	0	0
Total Crime Victims Compensation Fund		46,046	42,449	48,750	49,540	50,000
SERVICES TO VICTIMS FUND						
Douglas County	Ava	22,686	0	0	0	0
Women's Crisis Center of Taney County	Branson	10,676	0	0	0	0
Stone County	Branson West	19,400	0	0	0	0
Stone County Assistance Team	Branson West	14,316	9,732	0	0	0
Moniteau County	California	26,982	10,295	0	0	0
Citizens Against Domestic Violence	Camdenton	9,500	4,732	4,702	0	0
Cape Girardeau Police Department	Cape Girardeau	0	1,573	0	0	0
Safe House for Women, Inc.	Cape Girardeau	19,399	18,563	0	0	9,566
Jasper County Prosecutor's Office	Carthage	0	0	0	0	14,500
Barry County	Cassville	26,500	0	0	0	0
FAITH, Inc.	Clinton	30,450	13,936	10,147	0	0
Boone County	Columbia	30,926	0	0	0	0
Comprehensive Human Services, Inc.	Columbia	0	49,364	29,524	28,803	27,633
Midwest L.E.A.D. Institute	Columbia	84,997	85,000	45,136	38,114	0
Susanna Wesley Family Learning Center	East Prairie	29,654	26,661	0	0	0
Whole Health Outreach	Ellington	43,600	39,238	25,000	17,933	18,000
Southeast Missouri Family Violence Council	Farmington	36,777	34,658	20,000	0	0
COMTREA	Festus	0	0	0	30,000	30,000
Card V/Coalition Against Rape	Fulton	18,385	0	0	0	0
Avenues	Hannibal	53,843	45,000	0	32,766	0
Cass County Prosecuting Attorney	Harrisonville	14,178	15,650	0	13,555	0
Hope Haven of Cass County	Harrisonville	17,039	23,936	15,884	0	0
Mary Shaw Butler Shelter & Victims Center	Hermitage	0	2,000	0	0	0
Child Abuse Prevention Association	Independence	0	37,702	0	0	0
Hope House, Inc.	Independence	82,410	53,932	44,000	34,000	104,000
Jefferson City Rape and Abuse Crisis Center	Jefferson City	39,000	35,428	17,274	21,527	20,547
Missouri Coalition Against Domestic Violence	Jefferson City	32,204	30,771	30,000	15,994	17,407
Missouri Department of Corrections	Jefferson City	0	0	0	0	1,667
Missouri Victim Assistance Network	Jefferson City	84,806	113,459	35,830	0	0
Children's Center of SWMO	Joplin	35,000	33,150	0	0	0
Lafayette House	Joplin	75,000	69,628	59,983	30,000	30,000
City of Kansas City	Kansas City	50,544	53,053	42,957	39,049	35,602
Jackson County	Kansas City	0	0	0	29,830	26,510
Jackson County Prosecutor's Office	Kansas City	36,830	33,694	28,949	0	0
Metropolitan Organization to Counter Sexual Assault	Kansas City	65,000	93,309	63,691	25,000	25,000
NEWHOUSE	Kansas City	100,000	137,537	50,000	37,244	40,000
Rose Brooks Center	Kansas City	99,091	62,000	143,741	46,415	49,000
Safehaven of Kansas City, Inc.	Kansas City	0	0	0	111,000	41,000
Synergy Services, Inc.	Kansas City	86,718	65,000	65,000	0	0
Christian Associates of Table Rock Lake	Kimberling City	25,520	33,201	19,747	18,154	0
Victim Support Service Inc.	Kirksville	64,009	49,083	0	0	0
Cope	Lebanon	49,700	0	0	0	0
Council for Prevention of Domestic Violence	Lebanon	0	37,000	20,000	0	0
Parents of Murdered Children	Lee Summit	4,235	3,000	3,191	3,141	2,257
House of Hope, Inc.	Lexington	53,911	24,336	21,848	0	0
Center for Family Resources, Inc.	Malden	45,683	35,600	34,714	26,927	0
Dunklin County Community Council	Malden	0	0	0	0	27,000
Lighthouse Shelter Inc.	Marshall	27,515	0	0	0	0

CRIME VICTIMS COMPENSATION PROGRAM
SCHEDULE OF PROGRAM PAYMENTS

Agency	City	Payment Amount for Year Ended June 30,				
		2000	1999	1998	1997	1996
Audrain County Crisis Intervention	Mexico	24,310	18,056	0	0	0
Safe Passage Domestic Violence	Moberly	18,879	21,876	0	0	0
Council on Families in Crisis, Inc.	Nevada	50,000	43,149	39,739	33,000	32,482
New Start Domestic Violence	New Franklin	5,120	0	0	0	0
Perry County Women's Crisis Center	Perryville	54,158	33,211	14,814	0	0
Platte County Prosecutor's Office	Platte City	14,941	16,670	14,899	14,880	14,880
Haven House, Inc.	Poplar Bluff	35,403	29,689	16,753	9,514	8,485
Phelps County Family Crisis Services, Inc.	Rolla	65,000	53,047	42,000	24,000	24,000
Phelps County Prosecutor's Office	Rolla	36,650	28,947	29,271	18,863	14,002
CASA, Inc.	Sedalia	45,907	42,124	19,406	0	15,068
Family Violence Center, Inc.	Springfield	62,495	69,680	51,901	39,833	30,000
Greene County Prosecuting Attorney	Springfield	0	0	8,693	0	0
Missouri Victim Center	Springfield	45,000	45,000	41,260	34,368	34,958
Bridgeway Counseling Services, Inc.	St. Charles	101,566	49,720	36,000	0	30,000
Bridgeway Counseling Services, Inc. - Lincoln County	St. Charles	0	35,519	22,000	0	0
St. Charles County Circuit Court	St. Charles	0	23,591	18,558	0	0
St. Charles County Prosecutor's Office	St. Charles	54,669	30,000	28,935	24,000	24,000
Young Women's Christian Association	St. Joseph	37,000	30,158	30,147	20,000	20,000
Aid for Victims of Crime, Inc.	St. Louis	45,000	41,286	33,000	37,300	33,000
Family Resource Center	St. Louis	33,052	24,242	0	0	0
Fortress Outreach	St. Louis	10,000	0	0	0	0
Legal Advocates for Abused Women	St. Louis	15,500	13,383	9,876	0	0
Life Source Consultants	St. Louis	9,000	0	0	0	0
Lydia's House Inc.	St. Louis	20,000	0	0	0	0
National Center for Violence Prevention	St. Louis	0	2,511	18,280	17,452	0
St. Louis Circuit Attorney's Office	St. Louis	74,702	82,289	59,425	19,690	16,746
St. Martha's Hall	St. Louis	56,860	33,505	34,367	32,484	32,300
Women's Safe House	St. Louis	50,472	19,596	18,746	16,175	19,878
Women's Support and Community Services	St. Louis	24,234	0	0	0	0
YWCA of Metropolitan St. Louis	St. Louis	14,004	11,734	11,537	12,000	12,000
Crawford County Sheriff	Steelville	17,030	18,250	18,159	0	0
Cedar County Prosecuting Attorney	Stockton	21,500	27,785	0	0	0
North Central Missouri Mental Health Center	Trenton	0	0	0	0	19,000
Franklin County Prosecuting Attorney	Union	12,432	11,963	13,301	13,893	14,660
University City Police Department	University City	13,595	13,595	11,925	12,000	12,681
Morgan County Prosecutor's Office	Versailles	0	0	10,852	0	8,480
Johnson County Prosecutor's Office	Warrensburg	0	0	5,176	8,440	0
Survival Adult Abuse, Inc.	Warrensburg	32,415	34,555	23,847	13,864	15,000
Warren County Council Against Domestic Violence	Warrenton	19,966	0	0	0	0
Pulaski County	Waynesville	20,551	18,169	0	0	0
Pulaski County Crisis Center	Waynesville	36,570	35,317	27,000	16,000	13,000
Christos House	West Plains	32,000	1,709	18,000	11,243	12,228
Total Services to Victims Fund		2,776,466	2,341,548	1,559,185	1,028,451	976,537
STATE FORENSIC LABORATORY FUND						
Southeast Missouri Regional Crime Lab	Cape Girardeau	22,000	22,000	22,000	22,000	22,000
St. Louis County Police Department	Clayton	29,458	32,586	36,996	36,869	33,854
Independence Police Department	Independence	12,000	12,000	9,990	0	0
MSSC Regional Crime Lab	Joplin	22,000	22,000	22,000	22,000	22,000
Kansas City Police Department	Kansas City	36,742	36,969	36,913	37,000	37,000
Truman State Regional Crime Lab	Kirksville	12,000	11,110	12,000	12,000	12,000
St. Charles County Police Department	St. Charles	12,013	11,992	11,815	11,999	12,007
St. Louis Metropolitan Police Department	St. Louis	34,615	36,305	36,723	36,938	37,000
Total State Forensic Laboratory Fund		180,828	184,962	188,437	178,806	175,861
Total		\$ 3,003,340	2,568,960	1,796,372	1,256,797	1,202,398

The accompanying Note to the Supplementary Data is an integral part of this statement.

Notes to the Financial Statements and Supplementary Data

CRIME VICTIMS COMPENSATION PROGRAM
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for each fund of the Crime Victims Compensation Program.

Receipts, disbursements, and changes in cash and investments are presented in Exhibit A for the Crime Victims Compensation Fund, the Services to Victims Fund, and the State Forensic Laboratory Fund. Appropriations from these funds are expended by or for the program for restricted purposes.

The "Total (Memorandum Only)" column is presented as additional analytical data. Because this column does not identify the restrictions that exist by fund, it should be read only with reference to the details of each fund.

Appropriations, presented in Exhibit B, are not separate accounting entities. They do not record the assets, liabilities, and equities of the related funds but are used only to account for and control the program's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the program and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash and Investments, Exhibit A, prepared on the cash basis of accounting, present amounts when they are received or disbursed.

The Statements of Appropriations and Expenditures, Exhibit B, are presented on the state's legal budgetary basis of accounting which recognizes expenditures on the encumbrance method. Expenditures include amounts payable or encumbered at June 30 and paid during the lapse period. For years ended on or before June 30, 1999, the lapse period ended August 31 for regular appropriations and December 31 for capital improvement appropriations. For years ended on or after June 30, 2000, the lapse period ends August 31 for both regular and capital improvement appropriations. The authority to expend appropriations ends with the close of the

lapse period. However, the General Assembly may authorize reappropriation of the unexpended balances of capital improvement appropriations for the following year. The General Assembly also may authorize biennial capital improvement appropriations, for which the unexpended balances at June 30 of the first year of the two-year period are reappropriated for expenditure during the second year.

The cash basis of accounting and the budgetary basis of accounting differ from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The program administers transactions in the funds listed below. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

Crime Victims Compensation Fund: As provided by Chapter 595, RSMo 2000, this fund receives costs assessed on criminal convictions determined by a graduated scale depending on the seriousness of the offense. The purpose of the fund is to determine and award compensation to, or on behalf of, victims of crimes. Appropriations from this fund authorize payments directly to the provider of the services for medical or funeral expenses, or expenses for other services as allowed as a last resort for the victim. Any monies remaining in the fund are perpetually maintained for the purposes of the fund.

Services to Victims Fund: As provided by Chapter 595, RSMo 2000, this fund receives costs assessed on criminal convictions determined by a graduated scale depending on the seriousness of the offense. The purpose of the fund is to contract with public or private agencies to provide assistance to victims of crime through direct services, emergency services, crisis intervention counseling and victim advocacy. Any monies remaining in the fund are perpetually maintained for the purposes of the fund.

State Forensic Laboratory Fund: As provided by Chapter 595, RSMo 2000, this fund receives two hundred and fifty thousand dollars annually from costs assessed on criminal convictions. The purpose of the fund is to provide financial assistance to defray expenses of crime laboratories. Appropriations from this fund authorize distributions to labs making analysis of a controlled substance or analysis of blood, breath or urine for a court proceeding. Monies may only be used for equipment or capital improvements. Any monies remaining in the fund are perpetually maintained for the purposes of the fund.

D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's health care, optional life insurance, deferred compensation, and cafeteria plans. The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. Also, the deferred compensation plan involves employee payroll deferrals and a monthly state matching contribution for each participating employee.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement, basic life insurance, and long-term disability benefits); social security and medicare taxes; health care premiums; and the deferred compensation plan match.

Employee fringe benefits in the financial statements at Exhibit A are the transfers from the Crime Victims Compensation Fund for costs related to salaries paid from that fund. Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statements at Exhibit B.

2. Cash and Investments

The balances of the Crime Victims Compensation Fund, the Services to Victims Fund, and the State Forensic Laboratory Fund are pooled with other state funds and invested by the state treasurer.

3. Reconciliation of Total Disbursements to Appropriated Expenditures

Disbursements on Exhibit A reconcile to appropriated expenditures on Exhibit B as follows:

		Year Ended June 30,					
		2000			1999		
		Crime Victims Compensation Fund	Services to Victims Fund	State Forensic Laboratory Fund	Crime Victims Compensation Fund	Services to Victims Fund	State Forensic Laboratory Fund
DISBURSEMENTS PER EXHIBIT A	\$	4,892,261	2,818,718	235,586	4,686,208	2,338,581	317,076
Employee fringe benefits		(84,143)	0	0	(51,076)	0	0
Expense and equipment transfers		(5,957)	0	0	(2,617)	0	0
Hancock refunds transfers		(111,792)	(61,985)	(6,260)	(176,504)	(78,729)	(11,534)
Lapsed period expenditures:							
2000		183,000	261,728	69,083			
1999		(148,818)	(231,316)	(46,860)	148,818	231,316	46,860
1998					(24,917)	(160,299)	(104,337)
Accounts payable, June 30:							
2000		42	0	5,278			
1999		(1,951)	(10,679)	0	1,951	10,679	0
1998					(101,911)	0	(4,103)
EXPENDITURES PER EXHIBIT B	\$	4,722,642	2,776,466	256,827	4,479,952	2,341,548	243,962

Note to the Supplementary Data:

4. Program Contracts

The Crime Victims Compensation Program enters into contracts, on a fiscal year basis, with local agencies to provide services to victims of crime. Amounts presented in the Schedule of Program Payments are actual payment amounts made to local agencies. Amounts presented in the Schedule of Program Payments for the Crime Victims Compensation Fund only include payments to local agencies for which a contract was awarded and do not include payments made to reimburse a crime victim's actual loss for medical bills, lost earnings or support, and other miscellaneous expenses. Amounts presented in the Schedule of Program Payments for the State Forensic Laboratory Fund only include payments to local agencies for which a contract was awarded and do not include the purchase of rape test kits for laboratories as authorized by the state legislature.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

CRIME VICTIMS COMPENSATION PROGRAM SUMMARY OF FINDINGS

1. Collection of Crime Victims Compensation Fees (pages 23-25)

The Department of Labor and Industrial Relations has not established procedures to ensure that the Crime Victims Compensation Program receives all crime victims compensation fees assessed and collected by the courts and that they are received in a timely manner.

2. Monitoring of Services to Victims Grants (pages 25-27)

The Department of Public Safety is not performing timely monitoring of contract awards granted from the Services to Victims Fund.

**CRIME VICTIMS COMPENSATION PROGRAM
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS**

We have audited the special-purpose financial statements of the Crime Victims Compensation Program as of and for the years ended June 30, 2000 and 1999, and have issued our report thereon dated August 24, 2000.

The following Management Advisory Report presents our findings arising from our audit of the program's special-purpose financial statements.

1.	Collection of Crime Victims Compensation Fees
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Section 595.045, RSMo 2000, requires a crime victims compensation (CVC) fee to be assessed on each criminal conviction in each court in the state. This section requires the court clerks to distribute ninety-five percent of the fees collected to the state Department of Revenue (DOR) at least monthly. The DOR deposits these fees into the Crime Victims Compensation Fund, the Services to Victims Fund and the State Forensic Laboratory Fund in accordance with statute.

As noted in our prior audit, the Department of Labor and Industrial Relations (DLIR) has not established procedures to ensure that the Crime Victims Compensation Program receives all CVC fees assessed and collected by the courts. From October to December 1999, the DLIR followed-up on recommendations, concerning CVC fee collections and distributions, issued in State Auditor's Office reports on various state courts. As a part of this follow-up, the CVC Program sent letters to seven state courts; however, no follow-up letters have been issued since December 1999. In addition, no other procedures exist to identify courts not properly remitting CVC fees to the DOR.

During our review of payments made to the DOR, we noted that the City of Joplin did not remit CVC fees from January to October 1999 and did not remit fees from December 1999 to May 2000. Although the CVC Program did not contact the City of Joplin, the city remitted CVC fees of \$55,666 in November 1999 for the period of January to October 1999 and remitted \$29,642 in June 2000 for the period of December 1999 to May 2000.

We also noted inconsistent and untimely payments from the City of St. Louis during the two years ended June 30, 2000. For example, several months were noted where payments were not made appropriately and in May 2000, \$208,600 was remitted to the DOR (municipal payments averaged approximately \$35,000 per month for this time period). In addition, all payments for the City of St. Louis were generally made at least two months late. The CVC Program did not identify this situation and therefore was not able to ensure that CVC fees were properly assessed and collected by the City of St. Louis and that the CVC fees were remitted to the DOR in a timely manner.

The DLIR needs to establish procedures to recognize situations such as the City of Joplin and the City of St. Louis, where CVC fees are not being remitted to the state as required by state law. In such situations, the DLIR should determine if the courts have properly assessed, collected, and remitted all CVC fees to the Crime Victims Compensation Program as required by state law.

WE AGAIN RECOMMEND the DLIR establish procedures to monitor payments being made by the courts and follow up with the courts when CVC fees are not remitted on a regular basis.

AUDITEE'S RESPONSE

Following receipt of the audit report for the two years ended June 30, 1998, members of the DLIR met with representatives from the Office of State Courts Administrator (OSCA) and the Department of Revenue (DOR) to discuss how the recommendation made in that audit report could be implemented. The result of the meeting was a determination that there exists no short-term way to determine whether courts have properly assessed, collected or remitted all CVC fees.

Following receipt of the audit report for the two years ended June 30, 2000, we again discussed the problem with the OSCA. Representatives of OSCA confirmed that presently there is no effective way to monitor court deposits to the fund and there is no way to know which courts owe money, nor is there any way to monitor how much they owe.

In response to the prior state audit, the CVC Program has followed up on recommendations concerning CVC fee collection and distribution, issued in State Auditor's Office reports of various state courts. As a result of this follow-up, our management analyst sent letters to seven municipal courts between October and December 1999.

Some of the letters were informative letters mentioning that CVC had reviewed audit reports and several others were letters requesting the immediate remittance of CVC collections due the state. Of the seven letters sent, we received only one response from a municipal court clerk who had no concept of what the CVC Program was about and what the money collected was used for. Our management analyst discussed the program with the clerk.

During FY 2000, our management analyst again traveled to all 114 Missouri counties and the City of St. Louis. During those county visits, she stopped by at every Circuit Clerk's office and Associate Circuit Clerk's office.

When meeting with these people (either Circuit or Deputy Circuit Clerk or Associate or Deputy Associate Clerk), she stressed the importance of our offices working together as a team; how the courts and the Missouri Crime Victims' Compensation Program are interconnected; and how the Program depended on them to remit their CVC fines and fees to the Department of Revenue on a monthly basis as required by state law. Our agency depends on the courts to collect CVC fees so we

can assist victims across the state and in their respective counties. Many responded right away by saying that they do remit the money on a monthly basis.

Our management analyst will continue to contact each circuit court system. We will also follow up with the city courts within the circuit court districts by contacting and sending letters to them with reminders to deposit the fees that are due to the CVC Program.

In addition, we will contact the DOR within the next two months and request a disk indicating which courts have remitted CVC fees. Upon receipt of the disk, we will see if it is feasible for us to do a sort by courts, date, and past payment history. By following through on these suggestions, we hope to improve the collection of CVC funds.

2. Monitoring of Services to Victims Grants

The Services to Victims Fund (SVF) was established by Chapter 595, RSMo 2000, allowing the Department of Public Safety (DPS) to contract with public or private agencies to provide assistance to crime victims through direct services, emergency services, crisis intervention counseling and victim advocacy. To obtain funding from the SVF, these agencies/shelters must submit an annual application to the DPS. The DPS reviews each applicant for eligibility, programs offered, funding requested, etc. If the application is approved by the DPS, a contract is awarded.

The SVF application packet includes financial and administrative guidelines. According to a monitoring provision contained in the financial and administrative guidelines, the DPS is required to monitor each contract award at least once for each contract period (12-month period) and prepare a report documenting the results of this monitoring. The purpose of the monitoring is “to provide assistance to the contractor both from a technical and programmatic standpoint, as well as, to provide the DPS with the necessary information to ensure the contractor’s compliance with state and federal guidelines.”

During our review of 25 SVF contracts, we noted that 16 had not been properly monitored for the applicable contract periods. As of September 1, 2000, eight fiscal year 1999 contracts and eight fiscal year 2000 contracts had not been monitored. While many of these contracts are scheduled to be monitored in the last quarter of calendar year 2000 or the first quarter of 2001, at least twelve months have already lapsed since the end of the contract period for several of these contracts. In addition, two fiscal year 1999 contracts had not been scheduled to be monitored.

The DPS indicated that when they fall behind in their monitoring, they may perform a “desk” audit, asking the grant recipient to mail in supporting documentation such as time sheets, payroll records, or invoices; however, for the 16 contracts noted above, we observed no evidence that the DPS had performed a “desk” audit.

To ensure the funds are utilized for the intended purpose, to ensure the quality of the program, and to ensure agencies/shelters are in compliance with state and federal guidelines, formal on-site monitoring procedures should be performed on a regular basis and documented.

WE RECOMMEND the DPS perform formal on-site monitoring procedures of all SVF contracts on a regular basis and document the results of this monitoring.

AUDITEE'S RESPONSE

The Department of Public Safety (DPS) determines monitoring requirements. Chapter 595, RSMo, which establishes the Services to Victims Fund, does not require that grant contracts be monitored. However, the DPS believes that regularly scheduled monitoring of contracts is essential for proper and sound fiscal management of such grant programs.

Currently, the DPS uses several monitoring procedures to ensure regular contact with contracting agencies. These monitoring procedures include:

- *Subcontractors submit a monthly report of expenditures and request for reimbursement to DPS by the 10th of each month. This report includes a detail sheet of all expenditures claimed on the report. The administrative staff reviews these monthly reports and any problems are resolved with the program staff.*
- *All SVF subcontractors submit an annual performance report within 15 days after the end of the project period.*
- *All potential SVF contractors are required to attend a compliance seminar each year that contracts are awarded.*

Starting with the next grant award cycle (April/May 2001), the DPS will monitor all contracts funded through SVF – either on-site or through desk monitoring – a minimum of one time every two years. In addition, the program staff will review the monthly reports of expenditures and detail sheets every month. Contracts with agencies, which have not previously received SVF funding through DPS, will always be monitored at least one time during the first six months of an initial contract.

In certain situations, a contract may need to be monitored on a more frequent basis, either on-site or through desk monitoring, to assure compliance. These situations include, but are not limited to:

- *A report of mishandling of grant funds.*
- *A report of the use of grant funds for ineligible activities.*
- *Discrepancies noted on the monthly report of expenditures and detail sheet.*

- *A change in the management staff within a contracting agency.*
- *Financial and/or programmatic issues of noncompliance found during a regularly scheduled monitoring visit or through desk monitoring.*

The DPS feels that our current monitoring procedures along with the proposed enhancements will exceed the statutory requirements of Section 595.050.3, RSMo.

This report is intended for the information of the management of the Crime Victims Compensation Program and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

CRIME VICTIMS COMPENSATION PROGRAM FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Crime Victims Compensation Program on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended June 30, 1998. The prior recommendation which has not been implemented is repeated in the current MAR.

Collection of Crime Victims Compensation Fees

The Department of Labor and Industrial Relations (DLIR) did not establish procedures to ensure that the Crime Victims Compensation Program received all crime victims compensation (CVC) fees assessed and collected by the courts. The Crime Victims Compensation Program did not review records of payments made by the courts to the Department of Revenue and, therefore, may not have received all CVC fees due to the state. In addition, the State Auditor's office sent audit reports of various state courts to the Crime Victims Compensation Program which indicated CVC fees were not being properly assessed and/or distributed. Although the Crime Victims Compensation Program reviewed these reports, no follow-up action was taken.

Recommendation:

The DLIR establish procedures to monitor payments being made by the courts and follow up with the courts when CVC fees are not remitted on a regular basis.

Status:

Not implemented. The DLIR held two meetings with the Office of State Courts Administrator and the Department of Revenue in an attempt to establish automated procedures to monitor payments; however, it was determined that no such procedures could be implemented due to limitations in each agency's computer system and programs. See MAR No. 1.

STATISTICAL SECTION

History, Organization, and
Statistical Information

CRIME VICTIMS COMPENSATION PROGRAM HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Crime Victims Compensation Program was established by Chapter 595, RSMo 2000, to assist victims who suffer actual bodily harm as a direct result of a crime. The Crime Victims Compensation Program consists of the Crime Victims Compensation Fund, the Services to Victims Fund, and the State Forensic Laboratory Fund. The Crime Victims Compensation Fund will pay a crime victim's actual losses for medical bills, lost earnings or support, and other miscellaneous expenses up to \$15,000, which are not reimbursed by any other means. The crime must have occurred in Missouri or the victim be a resident of Missouri in order for the victim to be eligible for benefits. The Services to Victims Fund provides funding to local service providers, law enforcement agencies, prosecutors, and other public and private non-profit organizations to assist crime victims in Missouri. The State Forensic Laboratory Fund provides financial assistance to defray expenses of crime laboratories.

Funding for the Crime Victims Compensation Program is from costs assessed on a criminal conviction determined by a graduated scale depending on the seriousness of the offense. The Director of Revenue shall deposit annually the amount of two hundred fifty thousand dollars to the State Forensic Laboratory Fund. Of the remaining funds, if on the first of the month, the balance of the Crime Victims Compensation Fund exceeds \$1,000,000 plus one hundred percent of the previous twelve month's actual expenditures then the Director of Revenue shall deposit fifty percent of the collections to the credit of the Crime Victims Compensation Fund and fifty percent to the Services to Victims Fund. If on the first of the month, the balance of the Crime Victims Compensation Fund is less than \$1,000,000 plus one hundred percent of the previous twelve month's actual expenditures then the Director of Revenue shall deposit seventy-five percent of the collections to the credit of the Crime Victims Compensation Fund and twenty-five percent to the Services to Victims Fund.

The Department of Labor and Industrial Relations has control over the majority of the Crime Victims Compensation Fund, while the Department of Public Safety has control over the Services to Victims Fund and the State Forensic Laboratory Fund.

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